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SECURITY INFORMATION

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(5) An interview by Adlman on July 21, with Admiral Delany and Kenneth Hansen of IMS. According to Hansen, Adlman said he was investigating the International Materials Conference allocations of raw materials. He added that Senator McCarthy had told him he "would not take 'No' for an answer" but would step in personally if his staff failed.

b. At a special meeting held on July 23, by the Executive Committee of EDAC, it was decided to scoop McCarthy by an advance release to the public of information on illicit East-West trade. The text will emphasize the success of international cooperation over the past several years in improving and enforcing trade controls. Mr. Stassen will be asked to hold a press conference within a day after the release (probably August 3), and to air the entire subject.

B. Messrs. Amory, Guthe and Pforzheimer have been informed of these developments as they occurred. It is thought that they may wish to confer in the near future on the significance of McCarthy's recent moves, and on what actions the Agency should take (e.g., in providing intelligence to IMS for use in its white paper or at its press conference).

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Och/C/RR:SMB:ack (27 July 53)

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SECURITY INFORMATION

INVESTIGATIONS.

21 July 1953

THRU : Assistant Director, ORR
Chief, Coordination, ORR
Deputy Chief, Coordination, ORR

McCarthy Committee Inquiry Relating to Clandestine Trade in Certain Strategic Commodities

1. At the 21 July meeting of the EDAC Executive Committee, Kenneth Hansen read aloud a letter from a member of the McCarthy committee staff (Adlerman), together with Admiral De Lancy's reply. The first letter requested access to information and intelligence estimates on clandestine trade in certain strategic commodities (e.g., molybdenum). The reply stated in substance that this information could not be given to the committee by EMS or any other EDAC agency.

2. Copies of these letters are not yet available, but have been requested and will be forwarded to you within the next day or two.

3. Mr. Hansen said that he had talked with Adlerman immediately before the meeting. According to Adlerman, McCarthy is "incensed" at Admiral De Lancy's refusal, proposes to make a major issue of this matter, and intends to direct his inquiry to each of the cognizant agencies individually.

4. Mr. Hansen asked us to acquaint Mr. Pforzheimer with this latest McCarthy move. I presume you will want to do this yourself.

5. On my return from the meeting, I was hailed in the M Building hallway by Mr. Amory, who asked me if I had read the McCarthy committee's report on China trade. In the ensuing conversation, I told him the substance of paragraphs 1 and 3 of this memorandum. He said he was very much interested and hoped this office would keep on top of the situation.

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CGH/C/RR:EMB:bs
21 July 1953

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